MORTGAGE LAND CAPITAL

Flexible DSCR (FDN)

Debt Service Coverage Ratio / No Ratio

Program Matrix

Min FICO	Max Loan Amount	Max LTV/CLTV/HCLTV					
		DSCR ≥ 1.00		DSCR 0.75 - 0.99		DSCR 0.00 - 0.75	
		Purchase / R&T	Cash-Out	Purchase / R&T	Cash-Out	Purchase / R&T	Cash-Out
740	1,000,000	80	75	75	70	75	65
	1,500,000	75	70	70	65	70	60
	2,000,000	75	60	65	60	65	60
	2,500,000*	***70***	N/A	N/A	N/A	N/A	N/A
	3,000,000*	***65***	N/A	N/A	N/A	N/A	N/A
720	1,000,000	80	75	75	70	70	60
	1,500,000	75	70	70	65	65	60
	2,000,000	75	60	65	N/A	N/A	N/A
	2,500,000	***70***	N/A	N/A	N/A	N/A	N/A
	3,000,000	***65***	N/A	N/A	N/A	N/A	N/A
700	1,000,000	75	70	75	65	65	60
	1,500,000	75	70	70	65	65	60
	2,000,000	70	60	65	N/A	N/A	N/A
	2,500,000	***65***	N/A	N/A	N/A	N/A	N/A
680	1,000,000	75	65	70	60	***65****	60
	1,500,000	70	60	N/A	N/A	N/A	N/A
	2,000,000	65	N/A				
660	1,000,000	70	65	60	60	60	60
	1,500,000	65	60	N/A	N/A	N/A	N/A
	2,000,000	60	N/A				

5% reduction to Max CLTV for Rate & Term

***Not allowed for Short Term Rental / First Time Investor / Non-Perm Resident Alien*

Declining Markets subject to 5% Max LTV/CLTV/HCLTV reduction

Loan Amount	Condo / 2-4 Units	Short Term Rental	First Time Investor (Min DSCR 1.000) (Min FICO 700)	Non-Perm Res Alien (Cash-Out not allowed)	Interest Only (Min FICO 700)		
					DSCR >= 1	DSCR >= 0.75	DSCR < 0.75
≤ $2,000,000	75	80	80	75	75	70	N/A
≤ $2,500,000	65	N/A	N/A	N/A	70	N/A	N/A
≤ $3,000,000	60	N/A	N/A	N/A	65	N/A	N/A

Income Requirements

DSCR Calculation	♦ Debt Service Coverage Ratio is the monthly gross income divided by the PITIA of the subject property.
Purchase Transactions	♦ Gross monthly rent is determined by a Form 1007 or 1025 prepared by the appraiser. ♦ If the subject property is currently tenant occupied, Form 1007/1025 will be used unless evidence of rent deposit is provided. ♦ A vacant or unleased property is allowed. Gross rent will be based on Form 1007/1025.
Refinance Transactions	♦ Gross monthly rent is determined by the lower of Form 1007/1025 and lease agreement. If lease agreement is higher, proof of most recent month of receipt is required to use the higher amount. ♦ A vacant or unleased property is not eligible for Refinance, unless recently rehabbed w/intent to rent. LOE regarding why the property is vacant is required and gross rent will be based on Form 1007/1025.
Short Term Rental	♦ Gross monthly rent will be determined by taking the average of the most recent 12 months reduced by 20%. The reduction in gross monthly rent is due to the additional costs of maintaining a short-term rental property (i.e. advertising, cleaning, etc.). ♦ e.g., Airbnb, VRBO, FlipKey

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General Requirements

Product Type	♦ 30-Yr Fixed ♦ 30-Yr Fixed Interest Only ♦ 40-Yr Fixed Interest Only ♦ 5/6 ARM ♦ 5/6 ARM Interest Only ♦ 5/6 ARM 40-Yr Interest Only	Loan Amounts	♦ Min. $200,000 ♦ Max. $3,000,000
		Interest Only	♦ Interest Only Term: 120 Month ♦ Amortization Term: - 30 IO / 5/6 IO: 240 Month - 40 IO / 5/6 - 40 IO: 360 Month
Property Type	♦ Single Family / PUD / Condominiums / Rural ♦ 2-4 Units (Not allowed for 2nd Home) ♦ Property with multiple ADUs not allowed	Occupancy	♦ Investment
		Loan Purpose	♦ Purchase ♦ Rate/Term ♦ Cash Out
Acreage	♦ Property up to 5-acres, not meeting the rural definition, eligible.	Cash-In-Hand	♦ LTV/CLTV > 60%: Max $500,000 ♦ LTV/CLTV ≤ 60%: Unlimited
ARM Detail	♦ Index: SOFR 30 Day Average ♦ Caps: 2/1/5 ♦ Margin/Floor: 5.000% ♦ Qualifying Rate: Greater of Note Rate or Fully Indexed Rate (rounded to the nearest 0.125)		
Appraisals	♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection. ♦ Appraisal review product required unless 2nd appraisal obtained. ♦ **2nd Appraisal required for loans > $2,000,000.**		

Underwriting Requirements

Housing History	♦ 0x30x12	Credit Event Seasoning	♦ BK/FC/SS/DIL ≥ 36 Months
Minimum Borrower Contribution	♦ Not required	Interested Party Contributions (IPC)	♦ Limited to 6%
Escrows	♦ HPML ♦ Flood Insurance	Prepayment Penalty	♦ Prepayment periods up to 3-Years eligible ♦ 5% fixed on remaining loan balance
Non-Arm's Length Transaction	♦ Not allowed	Title Layering	♦ Investment only ♦ Max 2
		Gift of Equity	♦ Not allowed
Investor Experience	♦ Must have primary residence or currently renting ♦ First Time Homebuyer (FTHB) may not be First Time Investor		
Gift Funds	♦ 100% Gift funds are allowed for closing costs, down payments and reserves		
Assets	♦ Savings, checking, certificate of deposit, stock, retirement, life insurance cash value		
Large Deposits	♦ Source of large deposit is not required		
Reserves	♦ Loan Amount ≤ $1M: 2 months PITIA ♦ Loan Amount > $1M ≤ $2M: 6 months PITIA ♦ Loan Amount > $2M: 9 months PITIA ♦ Cash out may be used to satisfy requirement		
Document Age	♦ Income/Asset must be dated within 90 days from closing ♦ Appraisal/prelim report/credit report must be dated within 120 days from closing		
Credit Score	♦ Use Highest percentage ownership score for qualifying, even if lower. Highest percentage owner must have a valid score from at least two (2) ♦ In cases of equal ownership %, use the lower of the two scores ♦ In the event where ownership % of additional borrower is unknown, the lower score must be used for qualifying		
Tradelines	♦ Min 2 reporting 24-months w/activity in last 12- months or ♦ Min 3 reporting 12-months w/recent activity. ♦ If any one of the borrowers has three (2) credit scores, the minimum tradeline requirement is waived ♦ Authorized User accounts allowed		
Collections	♦ Collections within three (3) years exceeding $5,000 (individually or aggregate) must be paid off		